

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF CAPLIN & DRYSDALE,
CHARTERED FOR THE TENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Caplin & Drysdale, Chartered for the Tenth Interim Period (the "Application").

BACKGROUND

1. Caplin & Drysdale, Chartered ("Caplin") was retained as national counsel to the Official Committee of Asbestos Personal Injury Claimants. In the Application, Caplin seeks approval of fees totaling \$26,126.75.00 and costs totaling \$1,346.97 for its services from July 1, 2003, through September 30, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30,

1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Caplin an initial report based on our review, and received a response from Caplin, portions of which response are quoted herein.

DISCUSSION

3. In our initial report, we noted that JPC billed 2.70 hours and \$648.00 for "reviewing developments in asbestos tort litigation". The time entries are provided below:

07/11/03	JPC	240.00	0.50	Review developments in asbestos tort litigation.
07/21/03	JPC	240.00	0.60	Review developments in asbestos tort litigation.
07/22/03	JPC	240.00	1.60	Review developments in asbestos tort litigation.

Since Caplin's representation of asbestos claimants extends to other bankruptcy cases in the District of Delaware, we asked the firm to confirm that the above referenced time entries were of benefit to the W.R.Grace estate to the exclusion of other asbestos related cases in which Caplin is involved.

Caplin responded as follows:

You inquire in paragraph 3 regarding time billed by Caplin & Drysdale attorney John Cunningham on July 11, 2003, July 21, 2003 and July 22, 2003 for reviewing "recent development in asbestos tort litigation." Mr. Cunningham's assignments include responding to court filings by the Debtor and other actions by claimants or parties in these bankruptcy matters regarding asbestos claim valuation. The services provided in the above time entries were related to such claim valuation assignments.

We appreciate the response and offer no objection to these fees.

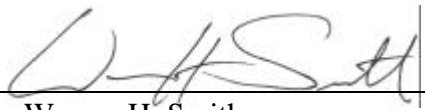
CONCLUSION

4. Thus we recommend approval of fees totaling \$26,126.75.00 and costs totaling

\$1,346.97 for Caplin's services from July 1, 2003, through September 30, 2003.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 2nd day of February, 2004.


Warren H. Smith

SERVICE LIST

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